# Montana Legislative Fiscal Division Revenue Source Profile

Updated through June 2014

# Wholesale Energy Tax

## **Revenue Description**

The wholesale energy transaction tax is imposed on the amount of electricity transmitted by a transmission services provider in the state.

#### **Statutory Reference**

Tax Rate – <u>15-72-104(1), MCA</u>
Tax Distribution – <u>15-72-106(3), MCA</u>

Date Due – 30<sup>th</sup> day of the month following the end of the calendar quarter (15-72-110, MCA)

### **Applicable Tax Rates**

The tax rate of \$0.15 per megawatt is applied to the number of megawatt hours transmitted. If the electricity is produced in state and sold out of state, the taxpayer is the owner of the electrical generation property, and the tax is collected by the transmission services provider. If the electricity is produced in-state for delivery in-state, or is produced outside the state for delivery in-state, the taxpayer is the distribution services provider, and the tax is collected by the transmission services provider.

The tax does not apply to the following:

- Electricity that is transmitted through the state that is neither produced nor consumed in the state;
- Electricity generated in the state by an agency of the federal government for delivery outside the state;
- Electricity delivered to a distribution services provider that is a municipal utility or a rural electric cooperative which opts out of competition;
- Electricity delivered to a purchaser that received its power directly from a transmission or distribution facility owned by an entity of the U.S. government;
- Electricity meeting certain contractual requirements that is delivered by a distribution services provider that was first served by a public utility after December 31, 1996;
- Electricity that has been subject to the transmission tax in another state; and
- A 5% line loss exemption for transmission of electricity produced in the state for delivery outside of the state.

**Collection Frequency:** Quarterly

**Distribution:** All proceeds are deposited into the general fund.



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# **Revenue History**

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	Fiscal <u>Year</u>	Total Collections \$ Millions	General Fund \$ Millions	General Fund <u>% Change</u>	Wholesale Energy Tax
A A A A A	1991 1992 1993 1994 1995 1996	\$0.000 0.000 0.000 0.000 0.000 0.000	\$0.000 0.000 0.000 0.000 0.000 0.000	N/A N/A N/A N/A N/A	\$4.0 - \$3.5 - \$3.0 -
A A A A	1997 1998 1999 2000 2001	0.000 0.000 0.000 1.895 3.503	0.000 0.000 0.000 1.895 3.503	N/A N/A N/A N/A 84.9%	\$2.5 - SEO
A A A	2002 2003 2004 2005	2.906 3.532 3.293 3.370	2.906 3.532 3.293 3.370	-17.0% 21.5% -6.8% 2.4%	\$1.5 -
A A A A	2006 2007 2008 2009 2010	3.813 3.651 3.856 3.865 3.556	3.813 3.651 3.856 3.865 3.556	13.2% -4.3% 5.6% 0.2% -8.0%	\$1.0 - \$0.5 -
A A A A	2010 2011 2012 2013 2014	3.946 3.427 3.558 3.112	3.946 3.427 3.558 3.112	-8.0 % 11.0% -13.1 % 3.8 % -12.5 %	\$0.0

